



DIGEST OF HB 1653 (Updated February 23, 2009 4:42 pm - DI 104)

Citations Affected: IC 12-15; noncode.

Synopsis: Medicaid services. Requires the office of Medicaid policy and planning (office) to take specified action in considering whether to begin the competitive bid process for certain items and services. Requires the office to ensure that: (1) the competitive bidding procedure is open to all persons currently providing the item or service for the Medicaid program; and (2) the bidding specifications are not written to give an advantage to an out-of-state company. Requires the office to apply for a Medicaid state plan amendment or a Medicaid waiver to limit Medicaid services to legal residents of the United States. Repeals Medicaid provisions that specify that refugees and lawful permanent residents are eligible for Medicaid.

Effective: July 1, 2009.

# Austin, Brown C, Welch

January 16, 2009, read first time and referred to Committee on Public Health. February 19, 2009, reported — Do Pass. February 23, 2009, read second time, amended, ordered engrossed.











First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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## **HOUSE BILL No. 1653**

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A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

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Be it enacted by the General Assembly of the State of Indiana:

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- 1 SECTION 1. IC 12-15-2.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A child who:
  - (1) is born in the United States to a person described in section 2 or 3 of this chapter; and
    - (2) otherwise meets the requirements for assistance under this article;
  - is eligible to receive Medicaid under this article.
  - SECTION 2. IC 12-15-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) The office may seek competitive bids for the following items or services provided under Medicaid:
    - (1) Prescribed drugs and services for state operated institutions.
    - (2) Physical therapy and other therapeutic services.
  - (3) Prescribed laboratory and x-ray services.
- 15 (4) Eyeglasses and prosthetic devices.
- 16 (5) Medical equipment and supplies.
- 17 (6) Transportation services.

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1	(b) In considering whether to begin the competitive bid process
2	for an item or service listed in subsection (a), the office shall
3	communicate with persons and companies that are currently
4	providing the item or service in the Medicaid program to
5	determine if the companies and persons are capable of lowering the
6	cost or increasing efficiency in providing the item or service in the
7	Medicaid program without going through the competitive bidding
8	process.
9	(c) If the office decides to seek competitive bids, the office shall
10	ensure that:
11	(1) the competitive bidding procedure is open to all companies
12	and persons that currently provide the item or service in the
13	Medicaid program; and
14	(2) the bid specifications are not written to give an advantage
15	to an out-of-state company.
16	SECTION 3. THE FOLLOWING ARE REPEALED [EFFECTIVE
17	JULY 1, 2009]: IC 12-15-2.5-1; IC 12-15-2.5-2.
18	SECTION 4. [EFFECTIVE JULY 1, 2009] (a) As used in this
19	SECTION, "office" refers to the office of Medicaid policy and
20	planning established by IC 12-8-6-1.
21	(b) Before September 1, 2009, the office shall apply to the United
22	States Department of Health and Human Services for an
23	amendment to the state Medicaid plan or for a demonstration
24	waiver to amend the state's Medicaid eligibility requirements to
25	limit Medicaid services provided under IC 12-15 to legal residents
26	of the United States.
27	(c) The office may not implement the state plan amendment or
28	demonstration waiver until the office files an affidavit with the
29	governor attesting that the state plan amendment or demonstration
30	waiver applied for under this SECTION is in effect. The office shall
31	file the affidavit under this subsection not later than five (5) days
32	after the office is notified that the state plan amendment or
33	demonstration waiver is approved.
34	(d) If the office receives approval to the state plan amendment
35	or demonstration waiver applied for under this SECTION from
36	the United States Department of Health and Human Services and
37	the governor receives the affidavit filed under subsection (c), the
38	office shall implement the state plan amendment or demonstration
39	waiver not more than sixty (60) days after the governor receives
40	the affidavit.

(e) The office may adopt rules under IC 4-22-2 necessary to



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implement this SECTION.

1 (f) This SECTION expires December 31, 2014.

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#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1653, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 6, nays 4.

#### **HOUSE MOTION**

Mr. Speaker: I move that House Bill 1653 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-2.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A child who:

- (1) is born in the United States to a person described in section 2 or 3 of this chapter; and
- (2) otherwise meets the requirements for assistance under this article:

is eligible to receive Medicaid under this article.".

Page 2, after line 15, begin a new paragraph and insert:

"SECTION 3. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 12-15-2.5-1; IC 12-15-2.5-2.

SECTION 4. [EFFECTIVE JULY 1, 2009] (a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

- (b) Before September 1, 2009, the office shall apply to the United States Department of Health and Human Services for an amendment to the state Medicaid plan or for a demonstration waiver to amend the state's Medicaid eligibility requirements to limit Medicaid services provided under IC 12-15 to legal residents of the United States.
- (c) The office may not implement the state plan amendment or demonstration waiver until the office files an affidavit with the governor attesting that the state plan amendment or demonstration waiver applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that the state plan amendment or

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demonstration waiver is approved.

- (d) If the office receives approval to the state plan amendment or demonstration waiver applied for under this SECTION from the United States Department of Health and Human Services and the governor receives the affidavit filed under subsection (c), the office shall implement the state plan amendment or demonstration waiver not more than sixty (60) days after the governor receives the affidavit.
- (e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.
  - (f) This SECTION expires December 31, 2014.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1653 as printed February 20, 2009.)

WALORSKI

### **HOUSE MOTION**

Mr. Speaker: I move that House Bill 1653 be amended to read as follows:

Page 1, line 11, delete "Before the office may" and insert "In considering whether to".

Page 1, line 12, delete "do the".

Page 1, delete line 13.

Page 1, line 14, delete "(1) Communicate" and insert "communicate".

Page 1, run in lines 12 through 14.

Page 2, delete lines 3 through 8.

Page 2, line 9, delete "bids after completing" and insert "bids,".

Page 2, line 10, delete "the requirements under subsection (b),".

(Reference is to HB 1653 as printed February 20, 2009.)

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